



WEEKLY REPORT

ARIZONA STATE RETIREMENT SYSTEM

Paul Matson, Director
3300 North Central Avenue, Phoenix, Arizona 85012
www.asrs.state.az.us

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For the week ending Friday, September 10, 2004

Welcome to the ASRS Weekly Report. This report provides a briefing of news and notices important to member employers and your employees. Please direct comments or email address updates to weeklyreport@asrs.state.az.us or phone (602) 308-5107.

***** Please distribute or make this report available to your employees. *****

ASRS News

INVESTMENT RETURNS

The Arizona State Retirement System employs a broad-based, long-term asset allocation strategy designed to produce a steady return over time. The ASRS Board of Trustees has set the following asset allocation mix: 53 percent in U.S. stocks; 26 percent in fixed income, or bonds; 15 percent in international equities, and 6 percent in real estate.

Below are rates of return for the last fiscal year on the overall portfolio, as well as specific asset classes, along with the benchmarks used to compare performance. (Real estate is a newly-approved class and a strategy, as well as actual investments in that class, are pending.)

| Annualized Rates of Return for fiscal year 2003-04 Period ending June 30, 2004 | | | | |
|---|--------------|-------------|-------------|--------------|
| | 1 Year | 3 Year | 5 Year | 10 Year |
| ASRS Total Fund | 17.5% | 3.3% | 2.5% | 11.0% |
| ASRS U.S. Equity | 22.2% | 0.7% | (0.5%) | 12.3% |
| S&P 500 Index | 19.1% | (0.7%) | (2.2%) | 11.8% |
| ASRS U.S. Fixed Income | 0.2% | 6.3% | 6.9% | 7.7% |
| Lehman Aggregate Index | 0.3% | 6.4% | 6.9% | 7.4% |
| ASRS International Equity | 34.3% | 4.7% | 3.4% | 6.4% |
| EAFE Index | 32.9% | 4.3% | 0.4% | 2.3% |

Board & Committee Meetings

- **ASRS Board of Trustees** – Friday, September 17, 8:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

- **External Affairs Review Committee** – Friday, October 1, 10 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **Investment Review Committee** – Tuesday, October 5, 5:30 p.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **Operations Review Committee** – Thursday, October 21, 10:30 p.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of our meetings are posted on our website and are available at our Phoenix and Tucson offices.

Employer Conferences

The Arizona State Retirement System continues with its annual Employer Conferences with final sessions scheduled over the next two weeks. The meetings are for representatives from employer benefits, human resource and payroll departments and individuals who provide administrative support.

All meetings will be from 8:30 a.m. to 12:30 p.m. and will cover such topics as implications of new legislation, including changes to the Service Purchase and Employer Retirement Incentive programs; contribution accounting; security and the internet and automation of ACH payments; military call up; termination pay; Long Term Disability program changes; eligibility requirements; the ASRS retiree health insurance program, including new carrier information; updated forms, and new employer staff training workshop information.

Below is a list of meeting dates and locations. Due to limited space, reservations are required. Please send RSVP email with the employer name, attendee names and titles, phone numbers, date and location to: michellef@asrs.state.az.us, or call (602) 308-5107 for more information.

2004 ASRS Employer Conference Schedule

Phoenix – September 23 - ASRS Office, 3300 N. Central Ave., 10th floor.

Tucson – September 22 - ASRS Office, 7660 E. Broadway Blvd. Suite 101.

Prescott/Chino Valley – September 14 - Yavapai College, Performance Hall Green Room, 1100 E. Sheldon.

Kingman – September 15 - Kingman School District Conference Room, 3033 MacDonald Ave.

Yuma – September 16 - City of Yuma Conference Room 190, One City Plaza.

2004 ASRS Employer Relations 101 Workshop Fall Schedule

The ASRS Employer Relations division has developed a new workshop to assist employers in training new staff about their responsibilities in dealing with the retirement system. Subject matter includes determining membership, long term disability, contribution reporting, return to work rules and more.

The workshops will be offered on October 7, October 27 and November 10. They will take place from 8:30 a.m. to 12:30 p.m. at the ASRS Phoenix office, 3300 N. Central Ave., 10th conference room.

Reservations are required and can be made by sending an email with your name, title, date of choice and employer name to: WeeklyReport@asrs.state.az.us. Or, for more information, please call (602) 308-5107 or toll-free at 1-800-621-3778 ext. 5107.

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